



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D C 20548

MANPOWER AND WELFARE
DIVISION

11 JAN 1974

Dr. David J. Sencer
Director, Center for Disease Control
Department of Health, Education, and
Welfare

DLG 03693

Dear Dr. Sencer:

The General Accounting Office has completed its review of the National Institute for Occupational Safety and Health's (NIOSH) administration and monitoring of contracts for research in connection with its responsibilities under the Occupational Safety and Health Act of 1970. We made the review at the NIOSH laboratory and other facilities in Cincinnati, Ohio, and the NIOSH headquarters offices in Rockville, Maryland.

Although we did not identify major problems that would warrant further detailed review, we did obtain some data which points up a need to insure that NIOSH project officers (1) understand and adhere to HEW guidelines for monitoring research contractors' performance and (2) maintain adequate files on the contracts they are assigned to monitor.

The departmental guidelines, issued by the Office of the Secretary in July 1971, provide in part as follows.

- It is important that contracts require submission of reports needed to evaluate contractors' work progress and financial status. Such requirements force both the contractor and the project officer to periodically evaluate the work in relation to all contractual requirements.
- If the contractor is performing poorly under the terms of the contract, the project officer should promptly notify the contracting officer so that possible remedial steps can be taken. To avoid misunderstandings that might otherwise occur, modifications to a contract may be made only by the contracting officer and must be in writing.

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NIOSH research contracts generally contain requirements that the contractor submit written progress reports either monthly, quarterly, semi-annually, or annually. Also, the contracts usually state the date by which the contractor is to complete his work and submit his final report or other research product to NIOSH. We reviewed 171 of the 211 contracts that NIOSH awarded during fiscal years 1969 through 1972.

For 67 of 171 contracts we reviewed, the contractors failed to submit at least one of the several periodic progress reports required in the contracts. For 13 of the 67 contracts, the contractors did not submit any of the required progress reports. We examined the contracting officer's files for 12 of the 13 contracts and found no evidence that the project officers had notified the contracting officer of the contractors' failure to submit the required reports. Moreover, for several of the 67 contracts, the project officers told us that they had orally advised the contractors that the written progress reports required in the contracts either did not have to be submitted or could be submitted less frequently than stated in the contracts. Some of these project officers told us that they took such action because they were kept advised of the contractors' performance by telephone.

At the time of our field work, final report dates had passed for 66 of the 171 contracts reviewed. For 15 of those contracts, NIOSH received the final reports from 1 to 7 months after the due dates. For 14 of the 66 contracts, NIOSH had not received the final reports--11 final reports were from 1 1/2 to 12 months past due and 3 final reports were from 13 to 34 months past due. We checked the contracting officer's files for 10 of the 29 contracts and found in 8 of the 10 contract files no evidence that the project officers had notified him of the contractors' failure to submit the final reports by, or within a reasonable period after the dates stated in the contracts. While project officers provided us with several reasons for late reporting or no final reports, we believe that in accordance with the departmental guidelines, the contracting officer should have been notified so that any justifiable and desirable changes in reporting requirements could have been made in the contracts.

We noted that, for 15 contracts, the project officers' files did not contain copies of all important documents, such as the contracts themselves, modifications to the contracts, and contractors' progress reports. Also, for 29 contracts, project officers did not prepare reports on visits they had made to the contractors' sites to evaluate performance.

Officials in the Office of the Secretary told us in December 1973 that

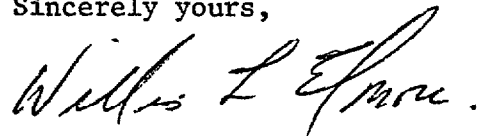
- project officers should monitor the performance of all provisions in the contracts, including those related to progress reports and final reports, and promptly notify the contracting officer when the contractor does not perform in accordance with contract terms,
- informal changes to contract terms, such as orally advising the contractor that progress reports need not be submitted as called for in the contract, are improper, and
- project officers should prepare records of all visits to the contractors' sites and keep such records in the contract files.

We discussed the above matters with the Associate Director for Cincinnati Operations, NIOSH, in July 1973, and he generally agreed with our findings and observations that improvements are needed in NIOSH's administration and monitoring of contracts for research.

We recommend that the Center for Disease Control reemphasize to all NIOSH project officers the importance of (1) adhering to the departmental guidelines for monitoring research contractors' performance and (2) preparing records of visits to contractors' sites and maintaining complete contract files.

We would appreciate your comments on the recommendation and the information presented herein, as well as on any action you take or contemplate as a result of this report. We appreciate the cooperation of NIOSH personnel during our review. We plan no further reporting on these matters.

Sincerely yours,



Willis L. Elmore
Assistant Director

cc: Secretary of Health, Education, and Welfare
Assistant Secretary of HEW for Health
Director, NIOSH
Associate Director of NIOSH for Cincinnati Operations, NIOSH
Assistant Secretary, Comptroller, HEW
Director, HEW Audit Agency